

**CALIFORNIA ENERGY COMMISSION**

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SACRAMENTO, CA 95814-5112



California Energy Commission

**DOCKETED**  
**12-AFC-2**

TN # 66433

AUG 03 2012

August 3, 2012

**TO: AGENCY DISTRIBUTION LIST****REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE HUNTINGTON BEACH ENERGY PROJECT APPLICATION FOR CERTIFICATION (12-AFC-02)**

On June 27, 2012, AES, Inc. submitted an Application for Certification (AFC) to construct and operate the Huntington Beach Energy Project (HBEP) in the City of Huntington Beach in Orange County.

**PROJECT DESCRIPTION**

The HBEP will be located on 28.6 acres of privately owned land located in an industrial area of Huntington Beach, California at 21730 Newland Street, just north of the intersection of the Pacific Coast Highway (Highway 1) and Newland Street. The project will be located entirely within the existing Huntington Beach Generating Station, an operating power plant.

HBEP would be a natural gas-fired, combined-cycle, air-cooled, 939-megawatt (MW) electrical generating facility that will replace, and be constructed on 28.6 acres entirely within the footprint of the existing and operating AES Huntington Beach Generating Station. HBEP would consist of two independently operating, three-on-one, combined-cycle gas turbine power blocks. Each power block will consist of three natural gas-fired combustion turbine generators (CTG), three supplemental fired heat recovery steam generators (HRSG), one steam turbine generator (STG), an air-cooled condenser, and related ancillary equipment. Other equipment and facilities to be constructed and shared by both power blocks include natural gas compressors, water treatment facilities, emergency services, and administration and maintenance buildings.

Each power block would include the following principal combined design elements:

- three Mitsubishi Power Systems Americas (MPSA) 501DA CTGs with a nominal rating of 118 MW each. The CTGs will be equipped with evaporative coolers on the inlet air system and dry oxides of nitrogen (NOx) combustors;
- three HRSGs, which will be horizontal, single-pressure, and natural circulation. Each HRSG has a natural gas-fired duct burner for supplemental firing in the HRSG inlet ductwork and an emission reduction system consisting of a selective catalytic reduction (SCR) unit to control NOx stack emissions, and an oxidation catalyst to control carbon monoxide (CO) and volatile organic compounds (VOC) emissions in the outlet ductwork;
- one MPSA single-cylinder, single flow, impulse, axial exhaust condensing STG;
- one air-cooled condenser and two closed-loop cooling fin fan coolers;
- one 230kv interconnection to the existing onsite Southern California Edison (SCE) 230kv switchyard;
- direct connection with the existing onsite Southern California Gas Company (SoCalGas) natural gas 16-inch-diameter gas main;
- connection to an existing onsite 8-inch-diameter potable water line;

- connection to an existing City of Huntington Beach 4-inch-diameter combined sanitary and process forced main sewer line.

HBEP will reuse existing onsite potable water, natural gas, stormwater, process wastewater, and sanitary pipelines and electrical transmission facilities. No offsite linear developments are proposed as part of the project. HBEP will continue to use potable water, provided by the City of Huntington Beach, for construction, operational process, and sanitary uses, but at substantially lower volumes than historically used by the existing generation units at the Huntington Beach Generating Station.

Following completion of project licensing, HBEP construction will require the removal of the existing Huntington Beach Generating Station Units 1, 2, and 5. Demolition of Unit 5, scheduled to occur between the fourth quarter of 2014 and the end of 2015, will provide the space for the construction of HBEP Block 1. Construction of Block 1 and 2 is expected to take approximately 42 and 30 months, respectively, with Block 1 construction scheduled to occur from the first quarter of 2015 through the second quarter of 2018, and Block 2 construction scheduled to occur from the first quarter of 2018 through the second quarter of 2020. Removal/demolition of existing Huntington Beach Generating Station Units 1 and 2 is scheduled to occur from the fourth quarter of 2020 through the third quarter of 2022.

Existing Huntington Beach Generating Station Units 3 and 4 were licensed through the California Energy Commission (00-AFC-13C) and demolition of these units is authorized under that license and will proceed irrespective of the HBEP. Therefore, demolition of existing Huntington Beach Generating Station Units 3 and 4 is not part of the HBEP project definition. However, to ensure a comprehensive review of potential project impacts, the demolition of existing Huntington Beach Generating Station Units 3 and 4 is included in the cumulative impact assessment. Removal/demolition of existing Huntington Beach Generation Station Units 3 and 4 would be in advance of the construction of HBEP Block 2.

## **ENERGY COMMISSION'S SITE CERTIFICATION PROCESS**

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts, and engineering aspects of proposed power plants and all related facilities, such as electric transmission lines and natural gas and water pipelines. The Energy Commission is the Lead Agency under the California Environmental Quality Act (CEQA), and because the siting process is a Certified Regulatory program, the Commission produces several environmental and decision documents rather than an Environmental Impact Report. The issuance of a certificate by the Energy Commission is in lieu of any local or state permit, and federal permit to the extent permitted by federal law.

The first step in the review process is for Energy Commission staff to determine whether the AFC contains all the information required by California Power Plant Site Certification regulations. When the AFC is deemed data adequate, we will begin the discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

Under its certified regulatory program the Energy Commission prepares and publishes both a Preliminary Staff Assessment (PSA) and a Final Staff Assessment (FSA) which are the legal equivalents of a draft Environmental Impact Report. After allowing for a public comment period on the PSA, staff will prepare and publish the FSA which will serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission Committee assigned to hear this

case. The Committee will hold evidentiary hearings and will consider the recommendations presented by staff, applicant, intervenors, government agencies, and the public, prior to proposing its decision. In the last step, the full Energy Commission will issue the final decision.

As part of our review process, the staff of the Energy Commission endeavors to work closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission.

## AGENCY PARTICIPATION

To ensure that the Energy Commission has the information needed in order to make a decision, the Energy Commission's regulations identify a special role for federal, state, and local agencies (See, Cal. Code Regs., tit. 20, section 1714, 1714.3, 1714.5, 1742, 1743, and 1744). As a result, we request that you conduct a review of the AFC and provide us with the following information:

- 1) a brief discussion of those aspects of the proposed site and related facilities for which your agency would have jurisdiction but for the exclusive jurisdiction of the Energy Commission to certify sites and related facilities;
- 2) a determination of the completeness of the list in the AFC of the laws, ordinances, regulations, or standards (LORS) which your agency administers or enforces that are applicable to the proposed site and related facilities and would be under your jurisdiction, but for the Energy Commission's exclusive jurisdiction;
- 3) a description of the nature and scope of the requirements which the applicant would need to meet in order to satisfy the substantive requirements of your agency but for the Energy Commission's exclusive jurisdiction, and identification of any analyses that the Energy Commission should perform in order to determine whether these substantive requirements can be met; and
- 4) an analysis of whether there is a reasonable likelihood that the proposed project will be able to comply with your agency's applicable substantive requirements.

The scope of your agency's comments on the AFC should encompass *significant* concerns, and substantive requirements that would be necessary for permitting by your agency but for the Energy Commission's exclusive jurisdiction. (Cal. Code Regs., tit. 20, section 1714.5, subd. (a)(2); emphasis added.) Please let us know if you need additional information or need to perform analyses or studies in order to resolve any concerns of your agency. (Cal. Code Regs., tit. 20, section 1714.5.)

Assuming that the proposed project is found to be data adequate on August 9, 2012, we request that all agency comments be provided to us by **December 7, 2012**, except for the South Coast Air Quality Control District's Preliminary and Final Determinations of Compliance, which should be provided by **December 7, 2012** and **February 5, 2013**, respectively. You may be asked to present and explain your conclusions at public and evidentiary hearings on the project. (See Cal. Code Regs., tit. 20, sections 1714.3, 1714.5, 1743, 1744.5, and 1748). Local agencies may seek reimbursement for reasonable costs incurred in responding to these requests. (Cal. Code Regs., tit. 20, section 1715).<sup>1</sup>

Once the AFC is deemed data adequate, your participation in the proceeding will continue to be valuable and encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceedings after the AFC has been determined to be complete. Local agencies may seek

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<sup>1</sup> Please note that pursuant to 20 CCR 1715 reimbursement is not available to state and federal agencies.

reimbursement for costs incurred in responding to these requests. To be eligible for reimbursement, a local agency must receive a request for review from the Chairman, Presiding Member, or Executive Director.<sup>2</sup> However, comments provided in response to this request during data adequacy are not reimbursable under Energy Commission guidelines.

Enclosed is a copy of the AFC in electronic format (CD). If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like to participate in the Energy Commission's review of the proposed project, please contact Felicia Miller, Energy Commission Project Manager, at (916) 654-4640, or by email at [Felicia.Miller@energy.ca.gov](mailto:Felicia.Miller@energy.ca.gov). The status of the proposed project, copies of notices, a copy of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at [http://www.energy.ca.gov/sitingcases/huntington\\_beach](http://www.energy.ca.gov/sitingcases/huntington_beach). You can also receive email notification of all project related activities and availability of reports by subscribing to the Listserve at <http://www.energy.ca.gov/listservers/index.html>.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Davis", written in a cursive style.

Chris Davis, Manager  
Siting Office

Enclosure  
Mailed to Agency list (12-AFC-02)

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<sup>2</sup> Please note that pursuant to 20 CCR 1715 reimbursement is not available to state and federal agencies.